



Billing Code: 4510-FW-P

DEPARTMENT OF LABOR

Employment and Training Administration

Notice Requesting Public Comment on Three Proposed Reemployment-Related Performance Measures Adopted by the Unemployment Insurance (UI) Program that will Align with the Workforce Innovation and Opportunity Act (WIOA) Requirements

AGENCY: Office of Unemployment Insurance (OUI), Employment and Training Administration (ETA), Department of Labor (DOL).

ACTION: Request for public comment.

SUMMARY: The Department of Labor (Department) is seeking public comment on the following proposed performance measures:

- Reemployment Rate for all UI Eligible Individuals after the 2nd Quarter of Program Exit (a Core Measure);
- Reemployment Rate after the 2nd Quarter of Program Exit for Reemployment Service and Eligibility Assessment (RESEA) Program participants (a Program Performance Measure); and
- Median Wage in the 2nd Quarter after Program Exit for RESEA Program Participants (a Program Performance Measure).

These measures are designed to align with the common performance measures for other workforce programs authorized by WIOA and will assist ETA in overseeing states' performance related to reemployment of UI claimants.

This notice also informs states of the Department's discontinuance of the UI Facilitate Reemployment Core Measure.

DATES: Submit written comments to the office listed in the addresses section below on or

before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Questions or comments in response to this notice can be submitted electronically to cowie.rhonda.m@dol.gov or via postal mail, commercial delivery, or hand delivery.

FOR FURTHER INFORMATION CONTACT: Ms. Rhonda Cowie, Office of Unemployment Insurance, Room S-4524, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210 at 202 693-3821 (this is not a toll-free number), TTY 1-877-889-5627 (this is not a toll-free number). Due to security-related concerns, there may be a significant delay in the receipt of submissions by United States mail. You must take this possible delay into consideration when preparing to meet the deadline for submitting comments. The Department will respond to comments directly as necessary. The Department recommends that comments not include personal information such as social security number, personal address, telephone number, email address, or confidential business information in the event comments are publically published. It is the responsibility of the commenter to determine what is personal or confidential business information.

SUPPLEMENTARY INFORMATION:

Background

Historically, it has been a goal of the UI system, the Wagner-Peyser Employment Service, and other workforce programs, to support reemployment of UI claimants as quickly as possible. Doing so helps the claimant quickly reestablish earning power and also saves state UI trust funds from paying more benefits than necessary. The relatively recent enactments of both the Workforce Innovation and Opportunity Act of 2014 (Public Law No. 113-128) and the Bi-

Partisan Budget Act of 2018 (Public Law No. 115-123), which permanently authorized the RESEA program, reinforce this goal. In addition, WIOA provides for the common performance outcomes for public workforce programs broadly.

The proposed performance measures for the overall UI program and for the RESEA program provide standardized metrics that align with the WIOA common performance measures and enable state workforce agencies to assess their efforts to secure positive employment outcomes for UI claimants.

I. WIOA and Reemployment of UI Claimants

WIOA was signed into law on July 22, 2014, and is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and match employers with the skilled workers they need to compete in the global economy.

Section 116 of WIOA requires states that operate core programs of the publicly-funded workforce system to comply with common performance accountability requirements. The vision of WIOA is that all workforce programs will adopt these measures as appropriate. The UI program is a mandatory partner in the publicly-funded workforce system and, as such, it is logical and appropriate for both the regular UI program and the RESEA program to adopt and align performance measures related to reemployment of UI claimants with the WIOA measures.

Under WIOA, states are required to submit common performance data to demonstrate that specified performance levels are achieved. States currently collect and report the data needed for calculating these proposed measures through the Workforce Integrated Performance System (WIPS). WIPS is an electronic performance reporting system for the Department's employment and training grants. Since September 30, 2016, states have been submitting individual record data through WIPS as part of the state quarterly and annual performance

reporting process using the Participant Individual Record Layout (PIRL) (ETA 9172). The PIRL provides a standardized set of data elements, definitions, and reporting instructions used to describe the characteristics, activities, and outcomes of WIOA participants.

The WIOA performance indicators (performance measures) incorporate a statistical adjustment model, developed by the Department to establish performance year targets. The model is based on the actual economic conditions and characteristics of WIOA participants and is updated and refined with ongoing use and application as WIOA outcome data become available. ETA intends to use this previously established statistical adjustment model to establish performance year targets for the proposed Core Measure.

II. Reemployment Service and Eligibility Assessment Program (RESEA)

The RESEA program was permanently authorized by the Bipartisan Budget Act of 2018, adding a new Section 306 to the Social Security Act. One of the key goals of the RESEA program is to improve employment outcomes of individuals that receive unemployment compensation and to reduce average duration of receipt of such compensation through reemployment. A second key goal is to promote alignment with the WIOA vision of increased program integration and service delivery. Using the WIOA common measures to evaluate the states' RESEA program will effectively promote both of these goals.

To promote greater integration of the RESEA program into the workforce system through the alignment with the WIOA common measures and to support calculation of the measures, ETA requires that RESEA participants be co-enrolled in Wagner-Peyser-funded Employment Services as part of the initial RESEA session. This co-enrollment requirement was implemented in Fiscal Year 2017. As part of this enrollment, RESEA participants must be appropriately documented in Wagner-Peyser case management and performance reporting systems. The co-

enrollment requirement enables implementation of the proposed Program Performance Measures to be done without any new reporting burden for states.

III. Discontinuance of the UI Facilitate Reemployment Measure for all UI claimants

Effective October 1, 2019, ETA is discontinuing the UI Facilitate Reemployment Core Measure and the requirement that states quarterly submit to ETA the ETA 9047 (Reemployment of UI Benefits Recipients) report. The ETA 9047 report collects data based on the prior Workforce Innovation Act (WIA) requirement that reemployment be measured in the quarter after a claimant began receiving UI benefits. The sole explanatory variable used in the statistical adjustment model for this measure was the Total Unemployment Rate and, during a declining economy, it was an effective indicator for reemployment. However, as the economy improved, this indicator became less effective leading to the measure failing to adequately capture state performance. Additionally, based on its WIA format, this measure was not aligned with WIOA standards. The proposed Reemployment Rate Core Measure for all UI eligible individuals and the proposed Reemployment Rate Program Performance Measure for RESEA program participants align with WIOA standards, and are more effective measures of UI claimants' reemployment. Implementation of these proposed measures will streamline state reporting since both the Workforce and UI programs will use the same data source and method of assessment.

IV. Proposed Core Measure and Program Performance Measures

To support reemployment goals for UI claimants and the vision of WIOA for common performance measurement across workforce programs, ETA proposes the following measures to assess UI program performance in the reemployment of claimants:

A. Reemployment Rate for all UI Eligible Individuals after the 2nd Quarter of

Program Exit.

This proposed Core Measure captures the percentage of UI eligible individuals who are in unsubsidized employment during the second quarter after this same group exits from the WIOA program.

Methodology: This proposed Core Measure calculates the number of UI eligible individuals who exited during the reporting quarter who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, in the second quarter after the exit quarter DIVIDED by the total number of UI eligible participants who exited during the reporting period, and expressed as a percentage. This is reflected in the following equation:

$\frac{\text{Number of UI Eligible Participants Reemployed in the 2nd Quarter After Program Exit}}{\text{Total Number of Exiting UI Eligible Participants}} \times 100$

Example: A claimant exited a WIOA program in February (quarter 1). The Reemployment outcome is measured in the second quarter after exit, which is quarter 3 (July-September). However, the reporting period remains quarter 1.

B. Reemployment Rate after the 2nd Quarter of Program Exit for RESEA Program Participants.

This proposed Program Performance Measure captures the percentage of RESEA participants (a sub-set of UI participants) who are in unsubsidized employment during the second quarter after this same group exits from the WIOA program.

Methodology: This proposed measure calculates the number of RESEA participants who exited during the reporting quarter who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, in the second quarter after the exit quarter DIVIDED by the total number of

RESEA participants who exited during the reporting period, and expressed as a percentage. This is reflected in the following equation:

$\frac{\text{Number of RESEA Participants Reemployed in the 2nd Quarter After Program Exit}}{\text{Total Number of Exiting RESEA Participants}} \times 100$

Example: A claimant exited a WIOA program in February (quarter 1). The Reemployment outcome is measured in the second quarter after exit, which is quarter 3 (July-September). However, the reporting period remains quarter 1.

C. Median Earnings in 2nd Quarter After Exit Quarter for RESEA participants.

This proposed Program Performance Measure captures the wage amount that is at the midpoint of all the wages (PIRL element 1704) between the highest and lowest wage earned in the second quarter after exit for all RESEA participants who exited a core program. Wages are currently reported as a data element in the PIRL.

Methodology: To determine the midpoint, the 2nd quarter after exit wages recorded in PIRL element 1704 are sorted from lowest to highest. If an odd number of unique records have been reported, the mid-point value is defined as the value of the $(n+1)/2$ record where n is the total unique records with 2nd quarter after exit wages. Thus if 99 wage records are reported in the 2nd quarter after exit, the midpoint is the 50th record in the array $[(99+1)/2=50]$. If an even number of unique records has been reported, then the mid-point is the arithmetic mean of the two midmost wage values. Therefore, if 100 wage records are in the 2nd quarter after exit, the mid-point is $(100+1)/2 = 50.5$ and the median is the mean of the two midmost values is defined as the value of the sum of the 50th and 51st record divided by 2.

These proposed measures support the role of the UI program, including RESEA, as a one-stop partner in American Job Centers by recognizing and measuring the UI

programs' effectiveness in contributing to the reemployment of UI claimants; promoting greater program integration through common metrics across programs; and increasing alignment with the broader vision of WIOA.

V. Application of the WIOA Statistical Adjustment Model to Establish Targets

Targets for the proposed Reemployment Rate for All Eligible Individuals after the 2nd Quarter of Program Exit Core Measure will be based on the performance targets established for Wagner-Peyser program participants in the WIOA Performance Negotiation Tool. This tool is intended to facilitate the process for setting performance targets, which are based on the Statistical Adjustment Model. The Statistical Adjustment Model is required by Sec. 116(b)(3)(viii), of WIOA, and established by the Department as an objective statistical regression model to be used to make adjustments to the state negotiated levels of performance for actual economic conditions and the characteristics of participants served at the end of the program year. It also is a key factor to be used in arriving at mutual agreement on state negotiated levels of performance. State-level actual performance outcomes are a function of (a) the characteristics of the participants being served, and (b) the labor market conditions in which those participants are being served. WIOA specifically requires that both of these factors be accounted for, and the use of a statistical model enables accounting for variations as a result of both factors when negotiating performance targets.

More detailed information is available for both the WIOA Performance Negotiation Tool and the Statistical Adjustment Model at the Department Web site:

<https://www.doleta.gov/performance/guidance/negotiating.cfm>

Note: No performance targets will be set for the first performance period following implementation of the proposed Reemployment Rate for all UI eligible individuals after the 2nd

Quarter of Program Exit Core Measure. State baseline data collected in the first performance period will inform performance targets in subsequent performance periods based on the Wagner-Peyser targets as established in the WIOA Performance Negotiation Tool. The Statistical Adjustment Model does not apply to the Reemployment Rate after the 2nd Quarter of Program Exit for RESEA Program Participants and Median Wage in the 2nd Quarter after Program Exit for RESEA Program Participants Program Performance Measures, and no performance targets will be established for these two measures.

VI. Data Source

As noted above, the data to support the proposed performance measures will come from the PIRL (ETA 9172). The PIRL framework allows states to organize data in a standardized format within WIPS using the various elements or data points. The following PIRL elements are used in the calculation of the measures described in Section IV above:

- Date of Program Exit – The quarter in which 90 days has passed and a WIOA participant has not received staff assisted services and is exited from the program (Data Element 901)
- UI Eligible Status - A WIOA participant who meets Unemployment Compensation (UC) Eligible Status Criteria by receiving or exhausting UI benefits (also called a UI Eligible Participant) (Data Element 401)
- RESEA Participants - Meets UC Eligible Status Criteria (Data Element 401=1, RESEA)
- Employed In 2nd Quarter after Exit Quarter (Data Element 1602)
- Other Reasons for Exit Criteria (Data Element 923)
- Wages in 2nd Quarter After the WIOA program Exit Quarter (Data Element 1704)

Additional information on the above PIRL elements can be found at the link below:

https://www.doleta.gov/performance/pfdocs/ETA_9172_DOL_PIRL_062816.pdf .

There is no additional reporting burden to states as a result of implementing these measures since ETA will use data that is currently collected and reported via the PIRL (ETA 9172).

VII. PERFORMANCE PERIOD

The performance period for these measures is the one-year period ending March 31 of the performance year.

VIII. DATA COLLECTION COSTS

Because these proposed measures use data currently collected through the ETA 9172 report (OMB Control# 1205-0521 - Workforce Innovation and Opportunity Act Performance Accountability, Information, and Reporting System), there will be no data collection start-up costs or any costs in addition to the current reporting requirements associated with the ETA 9172 report.

Signed in Washington, DC.

Molly Conway,

Deputy Assistant Secretary for Employment and Training.

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